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C O N F I D E N T I A L SECTION 01 OF 02 MANAMA 001485

SIPDIS

NEA/ARPI  
USTR FOR J. BUNTIN

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TAGS: [PGOV](#) [ETRD](#) [ETTC](#) [ECIN](#) [ECON](#) [BA](#)  
SUBJECT: PARLIAMENT BLASTS GOB FOR LIFTING BOYCOTT

REF: MANAMA 1434

Classified By: Ambassador William T. Monroe, reasons 1.4 (b) and (d)

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SUMMARY  
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11. (C) In a nearly unanimous vote October 11, the parliament issued a strong rebuke to the GOB for lifting the ban on Israeli goods and closing the boycott office. The parliament expressed its displeasure by issuing a "proposal" to reinstate the Israeli Goods Boycott and reopen the boycott office. Foreign Minister Shaikh Khalid bin Ahmed Al Khalifa and Minister of Finance Shaikh Ahmed bin Mohammed Al Khalifa appeared before parliament in a session Shaikh Ahmed later described to the Ambassador as "a bit ugly." He reaffirmed that the government has no intention of drafting a law in response to the parliament's proposal, stating that the government's position on this is clear. He said he hoped to manage the issue in committee and that the coming days will indicate how much staying power the political outrage/opposition has. End Summary.

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STORMY SESSION  
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12. (U) Foreign Minister Shaikh Khalid bin Ahmed Al Khalifa and Minister of Finance Shaikh Ahmed bin Mohammed Al Khalifa appeared before parliament October 11 following a demand issued by fifteen Members of parliament (MPs) for the government to explain the closure of the Israeli Boycott Office.

13. (U) During the session, Al Menbar presented proposed legislation containing four recommendations for the Cabinet: First, that the government decision to lift the Israeli Boycott be withdrawn; second, that the boycott Office be reopened; third, that Law 5 of 1963, which established the Boycott Office be reactivated; and fourth, that the government refrain from taking any such actions in the future without parliamentary consultation. All but one of the thirty MPs present during the session voted in favor of the proposal, an unusual display of Sunni and Shia unity. The proposal does not have force of law; it is a proposal for the government to consider, somewhat akin to a "Sense of the Congress" resolution. (Note: Parliament cannot draft laws; only the government can do that. End Note.)

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GOVERNMENT MOUNTS DEFENSE  
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14. (C) Shaikh Ahmed described the session to the Ambassador October 12 as "a bit ugly" The Gulf Daily News, a widely read English-language daily, quoted MP Al Menbar Bloc member Hassan Bukhammas as shouting "Death to America and Israel." Shaikh Ahmed was quoted as saying, "The world is changing and we need to compete. This will not be possible if we don't stick to the World Trade Organization agreements, of which we are a founding member."

15. (C) Shaikh Khalid addressed widely-circulated rumors originating from the notion that the closure of the boycott office was expressly required by the FTA and that the GOB was moving to normalize ties with Israel. He pointed out that the FTA had been discussed and reviewed by the parliament and that the FTA did not contain any boycott provisions. He said the decision to lift the boycott did not entail any economic, cultural, political or diplomatic normalization. (Note: National Democratic Institute (NDI) Director Fawzi Guleid told Poloff October 12 that this issue has sparked a climate of mistrust between the government and parliamentarians. He said MPs feel tricked and that the government is hiding secret provisions of the FTA. End Note.)

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GOB ASSESSMENT

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16. (C) Shaikh Ahmed told the Ambassador that the government has no intention of responding to the Parliament's resolution by drafting a law. He said he hoped to manage the issue in committee, and that political opposition/outrage would gradually subside. The coming days, he added, will indicate how strongly and lasting this opposition will be. (Note: Two small demonstrations were staged following Friday prayers October 7. Al Menbar Vice President Dr. Ali Ahmed said Al Menbar would continue to organize events against normalization with Israel. End Note.)

17. (C) Bahrain Customs, Ports and Free Zones President Dr. Eid Abdulla Yusuf called Econoff October 12 to say that despite the current activity in the parliament, he did not expect the Boycott Office to be reopened. "It's like a gale, with strong blustering winds at first, but then it dies down and becomes quiet," he said. Dr. Eid opined that the forceful objections voiced by MPs were merely designed to garner support from their constituencies ahead of upcoming elections.

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COMMENT  
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18. (C) While we don't anticipate any backsliding on the boycott decision, we shouldn't underestimate the strength of the anger and backlash from the boycott decision, at least among the politicians. The rhetoric was nasty and heated, and has added a sour note to what had heretofore been a very positive attitude toward the FTA. The parliamentary backlash may also complicate government efforts to rush through required IPR implementing legislation for the FTA.  
MONROE